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Building The
Wireless Future™

CTIA

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March 26, 1997

Mr. William F. Caton, Secretary
Federal Communications Commission
1919 M Street, N.W. - Room 222
Washington, D.C. 20554

Ex Parte Contact: Universal Service-
CC Docket No. 96-45

MAR 26 1997

Dear Mr. Caton:

On Wednesday, March 26, 1997, Mr. Thomas E. Wheeler, President and CEO, CTIA, sent the attached letter regarding Calling Party Pays issues to Chairman Reed E. Hundt, Commissioner James H. Quello, Commissioner Rachelle B. Chong, and Commissioner Susan Ness. Copies of the letter were also provided to the following Commission perscnnel:

Julius Genachowski, Counsel to the Chairman
Rudolfo M. Baca, Legal Advisor to Commissioner Quello
Suzanne Toller, Legal Advisor to Commissioner Chong
David R. Siddall, Legal Advisor to Commissioner Ness
Dan Phythyon, Acting Chief, Wireless Telecommunications Bureau
Regina Keeney, Chief, Common Carrier Bureau

Pursuant to Section 1.1206 of the Commission's Rules, an original and one copy of this letter and the attachment are being filed with your office.

If there are any questions in this regard, please contact the undersigned.

Sincerely,


Robert F. Roche

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Thomas E. Wheeler
President / CEO

March 26, 1997

The Honorable Reed E. Hundt
Chairman
Federal Communications Commission
1919 M Street, N.W.
Room 814
Washington, D.C. 20554

Dear Mr. Chairman,

Thank you for meeting with CTIA board members during Wireless 97. As you heard, the issue of calling party pays is foremost on the minds of wireless service providers. As the wireless industry positions itself to meet the challenges and opportunities of the competitive telecommunications market, the basis on which consumers make calls to wireless subscribers should be the same as all other telecommunication services when calls are originated -- the calling party pays.

Under the current procedures, individuals calling wireless customers are not charged for their use of wireless facilities. Wireless customers pay for both the calls they receive and originate. This anomaly discourages wireless customers from publishing or distributing their wireless telephone numbers and prompts them to turn off their telephones when not originating calls. A calling party pays regime will likely increase the use of the networks originating calls to wireless customers, as well as the wireless networks, and most importantly benefit consumers.

As Senator Burns noted in the March 19th hearing on universal service, the reason "everybody" in Israel has a wireless phone is that wireless subscribers in that country do not pay for incoming calls. Similar calling party pays regimes are standard around the world. For example, in such European countries as the Czech Republic, Germany, Hungary, Italy, Portugal and the U.K., and in such Latin American countries as Colombia and Venezuela, calling party pays has been credited with benefiting consumers, landline operators, and wireless providers.

In fact, calling party pays is simply another name for what is the standard billing practice for practically every telecommunications service in the U.S. -- excepting 800 Service calls and, by historical accident, wireless services.

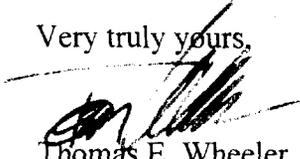


Here in the U.S., wireless carriers have only been able to offer the calling party pays option in scattered markets. But, as BellCore noted this past November, "to be really successful, the same [Calling Party Pays] service needs to be available across the U.S., across the [wireless] provider's geography, and across a subscriber's geography. . . . To offer the most successful service with the greatest revenue potential for [wireless providers] and LECs and the greatest satisfaction for subscribers, [wireless providers] need to be able to offer the consistency that only a ubiquitous service delivers."

The Telecommunications Act of 1996 requires, inter alia, the physical restructuring of the manner in which carrier networks interconnect, and specifically, in order to provide services such as Caller ID and number portability, carriers will have to establish data links and data bases that should facilitate the provision of calling party pays service.

Mr. Chairman, you and your colleagues will soon implement legislation on Universal Service. Commercial Mobile Radio Service licensees will now be participating in the Universal Service fund both as contributors and, where wireless providers will be providing universal service, also as receivers of money from the Universal Service fund. For wireless carriers to participate in the offering of universal service, wireless customers must be treated like all other customers by having the option to choose calling party pays service. Where Commercial Mobile Radio Service providers want to avail themselves of the opportunity to provide calling party pays, such providers should be able to submit a request to the LECs concerned.

Very truly yours,



Thomas E. Wheeler